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12 December 2022

POLICY AND FINANCE COMMITTEE

A meeting of the Policy and Finance Committee will be held in **The Council Chamber at The Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF** on **Tuesday 13 December 2022 at 6.00 pm** and you are requested to attend.

Members: Councillors Gunner (Chair), Pendleton (Vice-Chair), Cooper, Dixon, Goodheart, Oppler, Roberts, Stanley and Walsh.

PLEASE NOTE: Where public meetings are being held at the Arun Civic Centre, to best manage safe space available, members of the public are encouraged to watch the meeting online via the Council's Committee pages.

1. Where a member of the public wishes to attend the meeting or has registered a request to take part in Public Question Time, they will be invited to submit the question in advance of the meeting to be read out by an Officer, but of course can attend the meeting in person.
2. We request members of the public do not attend any face to face meeting if they have Covid-19 symptoms.

Any members of the public wishing to address the Committee meeting during Public Question Time, will need to email Committees@arun.gov.uk by 5.15 pm on **Monday, 5 December 2022** in line with current Committee Meeting Procedure Rules.

It will be at the Chief Executive's/Chair's discretion if any questions received after this deadline are considered.

For further information on the items to be discussed, please contact Committees@arun.gov.uk.

**AGENDA – SUPPLEMENT TWO – ITEM 12 – MINUTES AND RECOMMENDATIONS
FROM HOUSING & WELLBEING COMMITTEE – 6 DECEMBER 2022**

12. HOUSING REVENUE ACCOUNT (HRA) REVISED BUDGET - 2022-2023 [20 MINUTES] (Pages 1 - 22)

The Committee will receive recommendations following the meeting of the Housing & Wellbeing Committee held on 6 December 2022 relating to the Housing Revenue Account (HRA) Revised Budget 2022-203.

Attached separately are the minutes from the Housing & Wellbeing Committee from the meeting held on 6 December 2022.

There are two sets of recommendations for the committee to consider. The first is at Minute 398 – HRA Business Plan. Also attached is Appendix 1 which accompanies the report from the Interim Group Head of Finance and Section 151 Officer asking the Committee to consider the financial position in relation to the Housing Revenue Account (HRA) in order to make recommendations to Full Council for a revised budget for 2022/23 for approval at its meeting on 18 January 2023.

The second set of recommendations are at Minute 403 – Leisure Report. The Exempt report is also attached for the committee's background information and is excluded from the public under Paragraph 3 – Information Relating to the Financial or Business Affairs of any Particular Person (including the authority holding that information).

Note : If Members have any detailed questions, they are reminded that they need to inform the Chair and relevant Director in advance of the meeting.

Note : Filming, Photography and Recording at Council Meetings – The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. This meeting may therefore be recorded, filmed or broadcast by video or audio, by third parties. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and as available via the following link [PART 8 - CP - Section 5 Filming Photographic Protocol.pdf \(arun.gov.uk\)](#).

Public Document Pack Agenda Item 12

Subject to approval at the next Housing and Wellbeing Committee meeting

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HOUSING AND WELLBEING COMMITTEE

6 December 2022 at 6.00 pm

Present: Councillors Mrs Cooper (Vice-Chair, in the Chair), Daniells, Mrs English, Gregory, Gunner (Substitute for Pendleton), Haywood, Hughes, Madeley, Thurston and Yeates

Councillors Brooks and Cooper were also in attendance for all or part of the meeting.

Apologies: Councillors Needs

487. APOLOGIES

There were apologies received from Councillors Needs and Pendleton.

488. DECLARATIONS OF INTEREST

There were no declarations of interest made.

489. MINUTES

The Minutes of the meetings of the Housing & Wellbeing Committee held on 6 October 2022 and the Extraordinary Housing and Wellbeing Committee held on 3 November 2022 were approved and signed by the Vice-Chair in the Chair.

490. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

There were no urgent items for this meeting.

491. PUBLIC QUESTION TIME

There were no public questions submitted for this meeting.

492. VAAC PRESENTATION

The Group Head of Wellbeing & Communities introduced his report and Jackie Sumner from Voluntary Action Arun & Chichester (VAAC) who then provided members with a presentation.

In turning to the debate members thanked Jackie for her in depth report and presentation. It was asked if volunteers can choose the hours they volunteer for as this can be off putting for those who only have a limited amount of time they can offer. It was

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confirmed that VAAC encourages its members to be flexible when recruiting volunteers even if their availability is irregular. Jackie also stated that she wanted to focus on those who were not working currently to help develop their skill sets and build confidence to return to the workplace whilst volunteering in the community. Clarity was also sought regarding a cancer screening survey that had been undertaken and if other cancer types were considered. It was confirmed that this was a commissioned survey by the NHS Jackie stated that she was keen to establish VAAC's reputation as an organisation that goes out and flexibly supports all voluntary and community sector organisations as and where it is needed.

As there were no further questions the Vice-Chair in the Chair thanked Jackie again for her report and presentation.

The recommendation was then proposed by Councillor Madeley and seconded by Councillor Gregory

The Committee

RESOLVED

- 1) Endorse the work of Voluntary Action Arun & Chichester and agree that the Council continues to fund it in accordance with the terms of the agreement.

493. HOUSING OMBUDSMAN COMPLAINT DETERMINATIONS

(Councillor Brooks left the meeting at the end of this item at 18:29pm)

The Interim Head of Housing provided members with an overview of the report and explained that his report would be presented periodically to the Committee moving forward.

The Vice-Chair in the Chair clarified that the report before members was for the last 12 months. She then invited members to ask any questions.

It was asked if the council was satisfied with the contractors that were being used as it was felt from reading the report that they were not delivering as expected. It was confirmed that there were contract management arrangements in place to review performance of contractors and that this was consistently reviewed by officers. Clarity was sought regarding housing arrangements and that it was the ombudsman who determines what falls under the remit of each dwelling. Discussion was had in relation to section 4,12 of the report where it detailed learning points. The Leader of the Council stated that he was surprised that it did not reference a review of communication style e.g., tone of responses, expected service level. He said that when he read through the detail of the complaints, he couldn't help but understand where the resident was coming from, and the council needed to make improvements in relation to its writing tone and

style. it was explained that there were letter templates used and that there were also additional processes that sat behind these. He acknowledged that the council needed to not just acknowledge complaints raised, but fully understand the complaint at the first stage. In response the Leader of the council asked for reassurance that residents would be treated as human beings not numbers on a list, and this was given.

Discussion then moved to compensation costs in the context of where the contractor had let the council down and/or missed service level expected. it was explained that it would depend on the circumstance of each instance, however the council did pursue this where it was possible. Final discussion points where that it seemed to be an improving picture and members were reassured that improvements were being implemented and reviewed.

The recommendations were then proposed by Councillor Gregory and seconded by Councillor Yeates.

The Committee

RESOLVED to

- 1) Note the contents of the determination report.
- 2) Note that the Council has complied with the orders made by the Housing Ombudsman in their determinations
- 3) Note the improvements made to the service as a result of the determinations

494. HRA BUSINESS PLAN UPDATE

(Councillor Cooper arrived at the meeting at 18:31pm)

The Interim Group Head of Finance and Section 151 Officer gave a brief introduction to the report where she advised members that it covered the change in the Capital financing of the Housing Revenue Account (HRA) which resulted in a minimum estimated outturn balance of £600,000 at the end of March 2023. Members were asked to agree a revised budget for 2022/23 before consideration at Policy and Finance committee and final approval by Full Council in January 2023.

Members took part in a detailed debate where they scrutinised the figures detailed in the report and appendix A. Questions were raised regarding the table presented in the report at paragraph 3.5 where it detailed a difference of £1.1million and what had happened to this money. Clarity was sought on the meaning of the term 'reprofiled' used in paragraph 3.3 in relation to the Civica project. The repairs and maintenance budget had increased by £2million against the original budget along with a 10% increase in the supervision and management costs clarity was sought as to why these increases were now being seen. Discussion was also had regarding the rents

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received declining and was this due to residents being unable to afford their rents at the current time.

It was confirmed by officers that the rent figures were linked to the number of newly built properties being recorded as 'live'. It was also confirmed that there was an overspend in the last financial year on the repairs and maintenance budget and this was a continuation of the situation that was being experienced now. Combined with when the original budget was produced in December 2021 at that time inflation was not at 10% or being predicted to rise to that level. It was also explained that the term 'reprofiled' was that the project had seen a delayed 'go live' date as it was originally planned for November 2022, however upon the Interim Head of Housing's review when joining the council, he took the decision that the planned date in November 2022 was not achievable at that point and therefore reprofiled the projects 'go live' date accordingly.

The Chief Executive reemphasised that the significant rise in inflation costs had been on a such a high level it was unexpected back at the time the budget for 2022/23 was being forecast. He also restated that the building industry had been impacted early on by the increase of inflation and was still being impacted today. Further to this the council had had a relatively limited repairs programme previously and as a consequence, reactive repairs can then become disproportionate to the number of repairs the council completes. It was confirmed that officers are working hard to reverse this trend with an emphasis on a more proactive approach. Finally, he confirmed that members would receive further briefings in the New Year where these issues will be picked up and discussed.

In returning to the discussion regarding the increase in supervision and management costs it was confirmed that the council still had a higher proportion of agency staff in place, however, this was being addressed through the trainee programme that had been introduced earlier on in the year. It was confirmed that it was expected that a number of permanent posts that were due to be advertised shortly could be filled by those on the trainee programme.

It was also queried by the Committee if the work regarding the Fire Door programme also included in the increased costs for the repairs and maintenance budget. It was explained that the funding for the Fire Door programme had come from the Capital budget and was, therefore, not included in the increased figures for repairs and maintenance. Finally, there was a discussion as to whether the number of void properties had had an impact on the decrease in rents against budget. . It was confirmed that the number of void properties was low and therefore was not causing a significant impact on the figures. The Committee requested that the Interim Head of Housing provide the void property figures to the committee by the end of December 2022.

The recommendations were then proposed by Councillor Madeley and seconded by Councillor Cooper

The Committee

RESOLVED that

- 1) the agreed the revision to the HRA Revenue Budget set out in Appendix 1; and

RECOMMEND TO THE POLICY AND FINANCE COMMITTEE that

- 2) it reviews the changes to the HRA budget prior to approval by Full Council.

495. QUARTER 2 KEY PERFORMANCE INDICATORS REPORT

The Vice-Chair in the Chair advised members that the report was to be taken as read and if they had any questions these could be asked of the officers in attendance.

It was commented that its was pleasing to see the results for CP16. It was queried why CP20 was marked as amber/medium level given it was below target. With additional comments being made regarding the colour coding used and was this the best way to display results to which the Chief Executive provided a response. It was also highlighted by the Leader of the Council that he was pleased to see CP11 documenting the increased number of visits to the district's leisure centres.

Members were in agreement that these updates were a vital tool for each committee, and they were gratefully received.

Members then noted the content of the report.

496. OUTSIDE BODIES UPDATE

The Vice-Chair in the Chair confirmed that there were no updates for this meeting.

497. WORK PROGRAMME 2022/23

It was confirmed that the Housing Revenue Business Plan update that was previously due to be presented at tonight's meeting for the Committee was currently in discussion to confirm a new date, however it was currently planned to be brought to members in January 2023.

Members then noted the committee work programme for the remainder of the municipal year 2022/23.

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498. EXEMPT INFORMATION

The recommendations were proposed by Councillor Cooper and seconded by Councillor Gunner

The Committee

RESOLVED

That under Section 100a (4) of the Local Government Act 1972, the public and accredited representatives of newspapers be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

499. LEISURE REPORT

The Group Head of Wellbeing & Communities introduced his report and Ivan Horsfall-Turner CEO of Freedom Leisure who was in attendance to answer any questions from members.

The Vice-Chair in the Chair then opened the questions and answer session of the item. Where a number of detailed questions were asked, and responses provided by the CEO of Freedom Leisure. Once members had no further questions to ask, Mr Horsfall-Turner was thanked by the Vice-Chair in the Chair for his time at the meeting and he then left the closed session.

Members then took part in a detailed discussion where an amendment was proposed by Councillor Gunner and seconded by Councillor Cooper. The amendment is shown below with additions shown in **bold** and deletions shown with ~~strikethrough~~;

1.2. Notes the contents of this report in relation to the increased costs faced by leisure operators across the UK linked to the energy supply crisis.

1.3. Agree that it is necessary to support Freedom Leisure to ensure their continued viability and the delivery of the Leisure Operating Contract.

1.4. Recommends to the Policy and Finance Committee that a sum up to £265,000 is transferred from the Inflation Contingency Reserve in 2022/23 to support the additional cost of energy required for the Council's leisure centres.

1.5. That a sum of £580,000 is **considered for inclusion** in the 2023/24 Budget **pending further work by officers on the options and risks of not providing further support** ~~included in the 2023/24 Budget to support the increased cost of utilities affecting the leisure operating contract.~~

1.6. Authorises the Director of Environment and Communities and the Interim Group Head of Finance and Section 151 Officer to implement mitigating measures and make revisions and changes to the leisure operating contract based on energy matters affecting the facilities. **For the remainder of this financial year 2022/23**

That the Policy and Finance Committee

1.7. Notes the contents of this report in relation to the increased costs faced by leisure operators across the UK linked to the energy supply crisis.

1.8. Agree that it is necessary to support Freedom Leisure to ensure their continued viability and the delivery of the Leisure Operating Contract.

1.9. Authorises a sum up to £265,000 is transferred from Inflation Contingency Reserve in 2022/23 to support the additional cost of energy required for the Council's leisure centres.

~~1.10. Notes that a sum of £580,000 will be included in the 2023/24 Budget to support the increased cost of utilities affecting the leisure operating contract.~~

1.10. Notes that the Director of Environment and Communities and the Interim Group Head of Finance and Section 151 Officer is authorised to implement mitigating measure and make revisions and changes to the leisure operating contract based on energy matters affecting the facilities. **For the remainder of this financial year 2022/23**

The amendment was unanimously agreed by the Committee and therefore became the substantive recommendations.

It was requested to be noted that member's spirit is one which was willing to be supportive to Freedom Leisure

The substantive recommendations were then proposed by Councillor Gunner and seconded by Councillor Cooper.

The Committee

RESOLVED that it

1.1. notes the contents of this report in relation to the increased costs faced by leisure operators across the UK linked to the energy supply crisis.

1.2. agrees that it is necessary to support Freedom Leisure to ensure their continued viability and the delivery of the Leisure Operating Contract.

1.3. that a sum of £580,000 is considered for inclusion in the 2023/24 Budget pending further work by officers on the options and risks of not providing further support

1.4. authorises the Director of Environment and Communities and the Interim Group Head of Finance and Section 151 Officer to implement

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mitigating measures and make revisions and changes to the leisure operating contract based on energy matters affecting the facilities. For the remainder of this financial year 2022/23; and

RECOMMENDS TO THE POLICY AND FINANCE COMMITTEE

1.5. that a sum up to £265,000 is transferred from the Inflation Contingency Reserve in 2022/23 to support the additional cost of energy required for the Council's leisure centres.

1.6. that it notes the contents of this report in relation to the increased costs faced by leisure operators across the UK linked to the energy supply crisis.

1.7. agrees that it is necessary to support Freedom Leisure to ensure their continued viability and the delivery of the Leisure Operating Contract.

1.8. authorises a sum up to £265,000 is transferred from Inflation Contingency Reserve in 2022/23 to support the additional cost of energy required for the Council's leisure centres.

1.9. notes that the Director of Environment and Communities and the Interim Group Head of Finance and Section 151 Officer is authorised to implement mitigating measure and make revisions and changes to the leisure operating contract based on energy matters affecting the facilities. For the remainder of this financial year 2022/23

500. COUNCIL TAX WRITE OFFS

The Vice-Chair in the Chair advised that the report should be taken as read and any questions could be asked to officers in attendance.

The recommendation was then proposed by Councillor Gunner and seconded by Councillor Gregory

The Committee

RESOLVED

- 1) To write off the outstanding council tax charges totalling £24,527.96 where there is no likelihood of recovery.

501. INSOLVENCY COUNCIL TAX WRITE OFFS

The Vice-Chair in the Chair advised that the report should be taken as read and any questions could be asked to officers

in attendance.

The recommendation was then proposed by Councillor Gunner and seconded by Councillor Madeley

The Committee

RESOLVED

- 1) To write off the outstanding council tax charges totalling £13,371.22 which are subject to insolvency action, preventing the Council from pursuing the debtor for payment.

502. HOUSING BENEFIT OVER PAYMENTS

The Recovery Team Leader provided members with an overview of the report.

The recommendation was then proposed by Councillor Gunner and seconded by Councillor Cooper

The Committee

RESOLVED

- 1) To write off the outstanding Housing Benefit Overpayments totalling £42,045.02 where despite pursuing outstanding amounts, the Council has been unable to collect the debt.

(The meeting concluded at 8.10 pm)

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Housing Revenue Account Budget Summary

Actual 2021-22 £'000	Description	Original Budget 2022-23 £'000	Revised Budget 2022-23 £'000
	Expenditure		
5,896	Supervision and management	5,534	6,134
5,514	Repairs and maintenance	5,181	7,184
3,091	Financing of capital expenditure	5,851	4,918
5,010	Net loan charges	2,785	2,785
19,511	Total Expenditure:	19,351	21,021
	Income		
(16,228)	Rents (dwellings, garages, hostels, other property)	(17,286)	(17,059)
(683)	Charges for services and facilities	(641)	(644)
(2)	Interest on Balance Payable / (Receivable)	(28)	(28)
(16,913)	Total Income:	(17,955)	(17,731)
2,598	HRA (surplus) / deficit	1,396	3,290
	Housing Revenue Account Reserves		
(6,489)	Balance brought forward	(4,921)	(3,891)
2,598	HRA (surplus) / deficit	1,396	3,290
(3,891)	Balance carried forward	(3,525)	(601)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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